

ENRON
2001 OPERATING & STRATEGIC PLAN - FORECAST
INCOME BEFORE INTEREST & TAXES BY BUSINESS UNIT

(Millions of Dollars, except as noted)

	Plan	Effect of Asset Sales Timing	Adjusted Forecast	Other Adjustments	Total Adjusted Forecast
Americas	\$ 957.9	\$ -	\$ 957.9	\$ 1,059.2	\$ 2,017.1
Europe	347.6	-	347.6	-	347.6
Global Markets	270.0	-	270.0	(100.0)	170.0
Industrial Markets	63.0	-	63.0	-	63.0
Net Works	103.8	-	103.8	-	103.8
Global Assets	276.9	51.3	328.2	(82.8)	245.4
Other Wholesale	(3.1)	-	(3.1)	-	(3.1)
Subtotal	2,016.1	51.3	2,067.4	876.4	2,943.8
Global Finance	200.0	-	200.0	(40.0)	160.0
EGEP	4.7	15.3	20.0	-	20.0
EES Wholesale books	-	-	-	(200.0)	(200.0)
Prepays	(168.3)	-	(168.3)	-	(168.3)
Structured Transactions & Other	293.2	-	293.2	(145.0)	148.2
Subtotal Wholesale	2,345.7	66.6	2,412.3	491.4	2,903.7
Enron Transportation Services	390.0	-	390.0	-	390.0
Portland General	100.0	91.8	191.8	-	191.8
Subtotal Transmission & Distribution	490.0	91.8	581.8	-	581.8
EES	269.0	-	269.0	(44.0)	225.0
EBS	(65.0)	-	(65.0)	(25.0)	(90.0)
Azurix	(75.4)	-	(75.4)	(17.3)	(92.7)
EREC	(10.0)	-	(10.0)	(8.0)	(18.0)
Clean Fuels	(30.6)	-	(30.6)	-	(30.6)
Enron Investment Partners	(0.5)	-	(0.5)	-	(0.5)
Corporate and Other	(226.6)	-	(226.6)	(33.0)	(259.6)
Overview	(30.0)	30.0	-	-	-
Income before Int & Inc Taxes	2,666.6	188.4	2,855.0	364.1	3,219.1
Financing Related Expense	663.4	284.8	948.2	-	948.2
Income Tax Expense	480.8	(23.1)	457.7	87.4	545.1
TOTAL NET INCOME-RECURRING	\$ 1,522.4	\$ (73.3)	\$ 1,449.1	\$ 276.7	\$ 1,725.8
Anti-dilutive preferred dividends	-	-	-	-	-
TOTAL NET INCOME-RECURRING	1,522.4	(73.3)	1,449.1	276.7	1,725.8
Non-Recurring Net Income	-	-	-	-	-
TOTAL NET INCOME	1,522.4	(73.3)	1,449.1	276.7	1,725.8
DILUTED EPS					
Recurring	\$ 1.71	\$ (0.08)	\$ 1.63	\$ 0.32	\$ 1.95
Non-recurring	-	-	-	-	-
TOTAL DILUTED EPS	\$ 1.71	\$ (0.08)	\$ 1.63	\$ 0.32	\$ 1.95
Avg shares outstanding - Diluted	885.0	885.0	885.0	885.0	885.0
Effective Tax Rate - Recurring Earnings	24.0%	24.0%	24.0%	24.0%	24.0%

ENRON
2001 OPERATING & STRATEGIC PLAN
PROCEEDS FROM SALE OF ASSETS & RELATED DEBT

(Millions of Dollars)

	Board Plan		Current Forecast		Increase/(Decrease) in Interest Expense		
	Cash Proceeds	Timing	Cash Proceeds	Timing	Timing of Cash Proceeds	Business Unit Debt	Total
Elektro	2,000	March	-		90.0	12.0	102.0
Sale of PGE and related entities	1,600	March	-		72.0	58.5	130.5
EREC/Wind Company	700	April	500	July	15.5	-	15.5
Peakers	600	December	1,500	March/April	(62.5)	-	(62.5)
Sale of E&P Assets in India	600	February	600	July	15.0	-	15.0
Gaspart LDCs	470	July	491	July-Aug	(1.6)	-	(1.6)
HPL Assets	-		244	June	(7.3)	-	(7.3)
West Midstream Originations	218	Various	218	Various	-	-	-
Hainan Power Plant	152	July	152	December	3.8	-	3.8
Copel Investment	135	Sept-Oct	135	Sept-Oct	-	-	-
TNPC Warrant Monetizations	83	Quarterly	83	Quarterly	-	-	-
Transredes	70	Mar & Jun	70	Mar & Jun	-	-	-
MetGas	69	June	-		2.1	-	2.1
Sichuan Jialing Power Plant (Chengdu)	67	July	67	December	1.7	7.4	9.1
Sell-down of India Data Center	67	Sept & Dec	67	Sept & Dec	-	-	-
Calife	54	June / Aug	-		1.1	-	1.1
Cuiaba	25	July	-		0.6	-	0.6
Other	40		40		-	-	-
Total Proceeds from Sale of Investments	<u>\$6,950</u>		<u>\$4,167</u>		<u>130.3</u>	<u>77.9</u>	<u>208.2</u>
Minority Interest							<u>76.6</u>
Total Financing Related Expense							<u>\$ 284.8</u>

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2001 OPERATING & STRATEGIC PLAN
ENRON AMERICAS
SUPPLEMENTAL INFORMATION

(Millions of Dollars)

	<u>1st Qtr</u>	<u>Year</u>
Schedule C Reserves - 3/1/01	\$ 1,100.0	\$ 1,100.0
Specific Reserves -		
California Credit	(350.0) (a)	(350.0)
Specific Transactions	(150.0)	(150.0)
Volatility	(280.5)	- (b)
Gain on Sale of Peakers	230.0	630.0
HPL	-	(100.0)
Other	(13.0)	-
Available for Earnings	\$ 536.5	\$ 1,130.0
To cover overview & additional EPS	(536.5)	(1,059.2)
Net remaining	<u>\$ -</u>	<u>\$ 70.8</u>

Current Status: Assumes \$165 million margin for March to hit original plan for Q1.

Assumes ENA will hit original Q2, Q3 & Q4 plan (IBIT \$692.4 million)

a) Assumes 30% recovery on ~\$500 million of negative CTC receivable.

b) Assumes any amount funded with "new money".

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2001 OPERATING & STRATEGIC PLAN
OTHER WHOLESALE SERVICES
SUPPLEMENTAL INFORMATION

(Millions of Dollars)

	IBIT		
	1st Qtr	Year	
Europe	-	on target	-
Global Markets			
Business Variance	(40.0)	(100.0)	
Industrial Markets	-	on target	-
Net Works			
Expense variance	(16.0)		
Global Assets			
Operational Variances	(19.7)	(38.0)	
Nuclear Waste	(17.1)	(44.8)	
	(36.8)	(82.8)	
Impact of delay of sales			
Elektro	-	88.3	
Metgas	-	(37.0)	
	-	51.3	
Total Global Assets variance	(36.8)	(31.5)	

4.4 } Net Income
(37.0)

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2001 OPERATING & STRATEGIC PLAN
ENRON GLOBAL FINANCE
SUPPLEMENTAL INFORMATION
(Millions of Dollars)

	<u>1st Qtr</u>	<u>Year</u>
Interest Income on Raptor Notes	\$ 18.3	\$ 84.2
Savings on convertible bonds	6.6	40.0
Other fees	3.0	6.6
Net expenses	(6.8)	(18.7)
Overview	<u>3.9</u>	<u>87.9</u>
Total Forecast	25.0	200.0
Reduction of interest expense	<u>(6.6)</u>	<u>(40.0)</u>
IBIT Forecast	<u><u>\$ 18.4</u></u>	<u><u>\$ 160.0</u></u>

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2001 OPERATING & STRATEGIC PLAN
STRUCTURED TRANSACTIONS AND OTHER
SUPPLEMENTAL INFORMATION

(Millions of Dollars)

	1st Quarter		Year	
	Plan	Forecast	Plan	Forecast
Tax Structured Transactions	\$ -	\$ -	\$ 90.0	\$ 40.0 (a)
LDC sales	100.0	-	100.0	30.0
To be created	-	-	100.0	100.0
Other	5.5	(17.1) (b)	3.2	(44.6) (c)
Total without EE&CC	105.5	(17.1)	293.2	125.4
Engineering & Construction	8.9	6.9	65.0	22.8
Total with EE&CC	\$ 114.4	\$ (10.2)	\$ 358.2	\$ 148.2

a) New transactions to be identified.

b) Reclass of 50% ETOL from Europe to EES - \$12.6 million; EI prior period costs - \$4.5 million.

c) Reclass of 50% ETOL from Europe to EES - \$25 million; EI prior period costs - \$19.6 million.

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2001 OPERATING & STRATEGIC PLAN
PORTLAND GENERAL GROUP
SUPPLEMENTAL INFORMATION

(Millions of Dollars)

	1st Quarter		Year	
	2001	2000	2001	2000
Portland General Operations	\$ 56.2	\$ 70.9	\$ 200.0	\$ 261.8
Special Items -				
Gain on sales	-	5.7	(8.2)	5.7
Reserve reversals	-	31.0	-	49.5
NEIL refund	-	5.0	-	15.4
Accounting change - EITF 98-10 (MTM)	-	-	-	(13.5)
Compensation	-	(11.5)	-	(11.5)
Other	-	4.2	-	6.3
PGG IBIT	<u>\$ 56.2</u>	<u>\$ 105.3</u>	<u>\$ 191.8</u>	<u>\$ 313.7</u>

Factors effecting earnings from operations -

Inflated wholesale power prices in the northeast; forecast power costs have doubled
 Poor year for hydro; drought conditions
 Retail loads down; energy efficiency measures being taken due to California

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2001 OPERATING & STRATEGIC PLAN
ENRON ENERGY SERVICES
SUPPLEMENTAL INFORMATION

(Millions of Dollars)

	<u>1st Qtr</u>	<u>Year</u>
Original Plan - including Engineering & Construction	\$ 48.5	\$ 269.0
Engineering & Construction Plan (moved to Wholesale)	<u>(8.9)</u>	<u>(65.0)</u>
	39.6	204.0
Adjustment to hit Street plan	<u>-</u>	<u>21.0</u>
	<u>\$ 39.6</u>	<u>\$ 225.0</u>

Exposures -

Assumes wholesale commodity book moves to Wholesale segment

The New Power Company warrant monetization (\$30 mm - Q1; \$80mm - year). Need ENE stock price of \$73 and TNPC stock price of \$6.20 to achieve Q1 monetization (\$76 and \$6.20 for year)

Tariff book exposure \$20 mm 1Q; curve exposure of \$100 mm.

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2001 OPERATING & STRATEGIC PLAN
ENRON BROADBAND SERVICES
SUPPLEMENTAL INFORMATION

(Millions of Dollars)

	Highly Tentative	
	1st Qtr	Year
Gross Margin	\$ 64.0 a)	\$ 385.0
Expenses	(88.5) b)	(350.0)
Depreciation	(15.0) c)	(100.0) d)
Forecast	(39.5)	(65.0)
Negative overview	-	(25.0)
Adjusted Forecast	<u>\$ (39.5)</u>	<u>\$ (90.0)</u>

a) Gross Margin components -
Entertainment on Demand
Valuation
Games

\$ 37.0
11.0
<u>48.0</u>
6.0
5.0
<u>5.0</u>
<u>\$ 64.0</u>

Trading
Wholesale
Europe ventures & other

b) Reflects corporate charge reduction of \$33 million for year.

c) Reflects 10 year depreciable life for network equipment.

d) Reflects capex of ~\$350 million vs \$700 million plan and/or off balance sheet structures.

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ENRON
2001 OPERATING & STRATEGIC PLAN
AZURIX

SUPPLEMENTAL INFORMATION

(Millions of Dollars)

	<u>1st Qtr</u>	<u>Year</u>
Plan	\$ (17.1)	\$ (75.4)
Lower Azurix net income	(14.4) (a)	(17.3) (a)
Adjusted Forecast	<u>\$ (31.5)</u>	<u>\$ (92.7)</u>

- a) Azurix results down due to revised Argentina strategy
- reduced revenues from planned amounts due to reduced capital expenditures
 - poor collectability of A/R.
 - no tax benefit on losses.
- Merger related expenses - \$8.1 million net of tax (100%)

Potential exposures (not included in estimates above)

- Severance costs (assumes all Azurix employees terminated in 2001) - \$11.0 million
- Costs associated with the sales of assets
- Banker's fees \$3.0 to \$5.0 million
 - Divestiture/retention of key employees - \$4.4 million
 - Losses on sales of assets - \$40.0 to \$180.0 million

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ENRON

EARNINGS RELEASE - EXTERNAL FORMAT

(Millions of Dollars, except as noted)

	First Quarter			2000 Actual	01 vs 00 Growth
	2001 Plan	2001 Update	2001 Forecast		
Transmission & Distribution					
Enron Transportation Services	\$ 130.0	\$ -	\$ 130.0	\$ 127.9	
Portland General	100.0	(43.8)	56.2	105.3	
Total Transmission & Distribution	230.0	(43.8)	186.2	233.2	-20%
Wholesale Energy Operations & Services					
Americas	265.5	536.5	802.0	137.5	
Europe	80.5	-	80.5	67.7	
Global Markets	45.0	(40.0)	5.0	50.0	
Industrial Markets	8.5	-	8.5	-	
Net Works	(4.4)	(16.0)	(20.4)	(14.2)	
Global Assets	88.1	(36.8)	51.3	67.5	
Other Wholesale	(0.8)	-	(0.8)	-	
Subtotal	482.3	443.7	926.1	308.5	
Global Finance	49.5	(24.5)	25.0	104.4	
Global E&P	4.7	5.3	10.0	4.1	
EES Wholesale books	-	(200.0)	(200.0)	-	
Prepays	(35.1)	-	(35.1)	(22.9)	
Other	105.5	(115.7)	(10.2)	29.8	
Total Wholesale Energy Ops. & Services	606.9	108.8	715.7	423.9	69%
Enron Energy Services	48.5	(8.9)	39.6	11.3	250%
Enron Broadband Services	(35.0)	(4.5)	(39.5)	(0.3)	
Corporate and Other					
Azurix	(17.1)	(14.4)	(31.5)	(6.0)	
Enron Renewable Energy Corp	(10.0)	(8.0)	(18.0)	11.9	
Clean Fuels	(16.3)	0.2	(16.1)	(3.3)	
Enron Investment Partners	(0.1)	-	(0.1)	(0.4)	
Corporate & Other Expenses	(61.6)	(9.0)	(70.6)	(35.7)	
Structured Transactions	4.0	-	4.0	6.8	
Reclass from/to Wholesale	-	-	-	(17.4)	
Total Corporate & Other	(101.1)	(31.2)	(132.3)	(44.1)	
Overview	22.4	(22.4)	-	-	
INCOME BEFORE INT., M.I. & INC. TAXES	771.7	(2.0)	769.7	612.7	26%
Interest Expense, Net	203.2	(15.4)	187.8	161.1	17%
Dividends on Preferred Stock of Subsidiaries	18.4	-	18.4	18.1	
Minority Interest	23.8	13.4	37.2	34.9	
PRE-TAX INCOME	526.3	-	526.3	398.6	32%
Income Tax Expense	126.3	-	126.3	72.2	
NET INCOME - RECURRING	\$ 400.0	\$ -	\$ 400.0	\$ 326.4	23%
DILUTED EPS					
Recurring	\$ 0.45	\$ -	\$ 0.45	\$ 0.38	18%
Non-recurring	-	-	-	-	
TOTAL DILUTED EPS	\$ 0.45	\$ -	\$ 0.45	\$ 0.38	
Shares outstanding - Diluted	885.0		879.3	851.9	
Effective Tax Rate - Recurring Earnings	24.0%		24.0%	18.1%	